

GEO. A. HORMEL & CO.

And Domestic Subsidiaries

Condensed Consolidated Balance Sheet October 26, 1929

Summary of Income and Profit and Loss for the Fiscal Year ended October 26, 1929

Minneapolis, November 16, 1929.

their operations for the fiscal year ended that date.

and less correctly set forth, respectively, the consolidated balance

WE HEREBY CERTIFY that in our opinion the above

these data, and

the purpose of verifying the stated financial condition as of

We have examined the accounts of Geo. A. Hormel

CERTIFICATE

Austin National Bank, \$13,052.46; miscellaneous \$1

NOTE—Contingent liabilities—On notes and drafts discounted

GEO. A. HORMEL

(INCORPORATED)

AND DOMEST

Condensed Consolidated Balance Sheet

Assets

CURRENT ASSETS:

Cash.....	\$ 904,578.27	
Accounts receivable — Customers (less reserve for doubtful accounts, \$15,000.00)	1,454,311.31	
Finished goods, goods in process, materials, and supplies — Less drafts against consignments, \$652,250.36 (company's valuation, based on physical inventory; valued at \$173,632.84 less than market at October 26, 1929; not verified under audit as to quantities).....	6,333,779.90	
Total current assets		\$ 8,692,669.48

PLANT PROPERTY — AT COST:

Land	\$ 100,967.42	
Buildings, machinery, and equipment (less reserve for depreciation, \$869,132.44)	3,334,558.81	
Net plant property.....		3,435,526.23

SUNDRY ASSETS:

Investment in affiliated company not consolidated	\$ 119,531.69	
Compensation insurance fund (Treasury stock — Preferred)	10,000.00	
Other investments — At cost (less reserve, \$13,600.00)	206,804.19	
Sundry notes, accounts, advances, etc.....	85,707.02	
Real estate — Other than plant.....	146,141.51	

Total sundry assets.....		568,184.41
PREPAID EXPENSES		71,508.77
DEFERRED ADVERTISING		132,848.51
TOTAL.....		\$12,900,737.40

NOTE—Contingent liabilities — On notes and drafts discounted Austin National Bank, \$135,652.26; miscellaneous, \$1

CERTIFICATE

We have examined the accounts of Geo. A. Hormel for the purpose of verifying the stated financial condition at October 26, 1929, and

WE HEREBY CERTIFY that in our opinion the above balance sheet and loss correctly set forth, respectively, the consolidated financial condition and results of their operations for the fiscal year ended that date.

Minneapolis, November 16, 1929.

HORMEL & CO.

INCORPORATED IN DELAWARE)

DOMESTIC SUBSIDIARIES

Balance Sheet October 26, 1929

Liabilities

CURRENT LIABILITIES:

Notes payable	\$ 750,000.00	
Accounts payable and customers' credit balances	308,888.00	
Accrued interest, expenses, bonuses, and taxes (including Federal income tax)	438,064.24	
Dividends payable November 15, 1929:		
On preferred capital stock	29,144.50	
On common capital stock	246,972.00	
Total current liabilities		\$ 1,773,068.74

RESERVES:

For compensation insurance	\$ 83,931.56	
For contingencies	25,000.00	
Total reserves		108,931.56

CAPITAL

Preferred capital stock — Cumulative (authorized, 50,000 of \$100.00 each):		
Class A — 6% (outstanding, 14,553 shares)	\$1,455,300.00	
Class B — 7% (outstanding, 1,045 shares)	104,500.00	
Common capital stock (authorized, 500,000 shares without par value; outstanding, 493,944 shares, less 110 shares in treasury)	6,111,014.97	
Surplus, per accompanying summary of income and profit and loss	3,347,922.13	
Total capital		11,018,737.10
TOTAL		<u>\$12,900,737.40</u>

, \$130,755.49; as guarantor in connection with exchange of stock of 5,406.16.

CERTIFICATE

& Company, Austin, Minnesota, and its domestic subsidiaries, for October 26, 1929, and of reviewing the operations for the fiscal year ended

the balance sheet and accompanying summary of income and profit and loss condition of the companies at October 26, 1929, and the results of

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GEO. A. HORMEL & CO.

AND DOMESTIC SUBSIDIARIES

Summary of Income and Profit and Loss

For the Fiscal Year Ended October 26, 1929

GROSS SALES		\$40,047,231.40
DEDUCT:		
Returns and allowances.....	\$ 82,730.27	
Freight and express outward.....	1,744,289.06	1,827,019.33
NET SALES		\$38,220,212.07
COST OF PRODUCT SOLD, SELLING AND ADMINIS- TRATIVE EXPENSES, AND OTHER CHARGES, NET (excluding depreciation and interest).....		35,266,631.77
NET INCOME BEFORE DEPRECIATION, INTEREST, AND FEDERAL INCOME TAX.....		\$ 2,953,580.30
DEDUCT:		
Depreciation	\$ 219,511.83	
Interest paid — Net.....	206,671.06	
Provision for Federal income tax.....	310,000.00	736,182.89
NET INCOME		\$ 2,217,397.41
DIVIDENDS ON PREFERRED CAPITAL STOCK		94,871.23
NET EARNINGS APPLICABLE TO COMMON CAPITAL STOCK		\$ 2,122,526.18
INITIAL SURPLUS, OCTOBER 29, 1928.....		2,144,668.42
OTHER PROFIT AND LOSS CREDITS:		
Reduction of reserve for investments.....	\$ 43,468.30	
Recoveries on assets previously written off.....	6,000.00	49,468.30
GROSS SURPLUS		\$ 4,316,662.90
PROFIT AND LOSS CHARGES:		
Dividends on common capital stock:		
Paid	\$ 649,420.34	
Payable November 15, 1929.....	246,972.00	
Creation of reserves for doubtful accounts and contingencies	40,000.00	
Organization expense written off.....	13,401.72	
Miscellaneous	18,946.71	968,740.77
SURPLUS, OCTOBER 26, 1929.....		\$ 3,347,922.13